



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 18, 2005

Albert Brown
Brown Brothers Construction
P.O. Box 249
Loa, Utah 84747

Subject: Acceptance of Notice of Intention to Commence Small Mining Operations and Formal Approval Form and Amount of Reclamation Surety, Brown Brothers Construction, Big Thompson Pit, S/017/047, Garfield County, Utah

Dear Mr. Brown:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial \$150.00 permit application fee, received by the Division on January 26, 2005. The proposed Big Thompson Pit Project is located in the SE1/4 of the NE1/4 of Section 2, T36S R9E, SLBM, Garfield County, Utah.

As you are aware, we were required to forward a copy of your notice to the Utah Division of State History to assure that no historical or archaeological properties were in the area of the proposed operation. We received notification from State History that no surveys have been conducted in this area. On February 1, 2005, we received a copy of the survey you had conducted, which stated there were no cultural resources in the area. We assume you forwarded a copy of this survey to State History as well.

The Division finds your application complete and no additional information is required by this office at this time. On February 14, 2005, the Acting Director of the Division of Oil, Gas and Mining formally approved the form and amount of reclamation surety for this project (copies enclosed for your records). The reclamation surety in the amount of \$14,000 is in the form of a Letter of Credit issued by Far West Bank. ***The Division hereby grants its final acceptance of your small mining notice of intention and the reclamation surety for the Big Thompson Pit Project. You may commence with your mining operations as outlined, provided you have satisfied and received written acceptance from the School and Institutional Trust Lands Administration requirements.***

Unlike large mining operations where the surety is escalated five years into the future, the surety for small mining operations will be reviewed periodically to assure that the bond remains adequate.

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In accordance with the requirements of Rule R647-3-105, regarding the project location and disturbed area identification on a topographic map, ***the Division also requests the operator mark the proposed/actual disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or other suitable, fixed markers) to assure that operations do not exceed the 3.44 acre limitation of this permit.*** Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

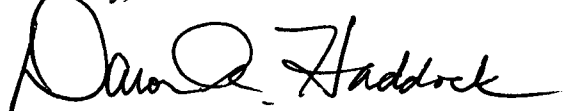
The acceptance of this notice and surety is for a small mining operation only, **not to exceed 3.44 acres**. You are not authorized to disturb beyond the 3.44 acre limit without first amending your notice, adjusting the bond amount and receiving written acceptance from this office as well as from SITLA.. If you wish to expand to a large mine status, approval typically takes up to six to twelve months or longer.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Permit fees are \$150.00 for small mining notices, which are due on the Division's fiscal year, July 1 – June 30. A billing statement will be sent in late June for this permit fee.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-summary). Please give special consideration to item #10 of the "Operation and Reclamation Practices." Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

If you have questions or concerns regarding this letter, please contact me at (801) 538-5325 or Tom Munson at 538-5321. Best wishes with your new mining venture.

Sincerely,



Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:jb
Attachment: SMO summary
Enclosure: Copy of RC & LOC forms
cc: John Blake, SITLA w/Encl
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